

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH & HUMAN SERVICES

Call to Order: By **CHAIRMAN DAVE LEWIS**, on February 6, 2001 at 8:00 A.M., in Room 152 Capitol.

ROLL CALL

Members Present:

Rep. Dave Lewis, Chairman (R)
Sen. John Cobb, Vice Chairman (R)
Rep. Edith Clark (R)
Rep. Joey Jayne (D)
Sen. Mignon Waterman (D)

Members Excused: Sen. Bob Keenan (R)

Members Absent: None.

Staff Present: Robert V. Andersen, OBPP
Pat Gervais, Legislative Branch
Sydney Taber, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Human and Community Services -
FAIM Phase II, TANF Block
Grant
Executive Action: None.

{Tape : 1; Side : A; Approx. Time Counter : 0.4-7.9}

REP. CARNEY requested an appropriation of \$18,500 to the Department of Public Health and Human Services (DPHHS) for a contract worker who will identify federal funding sources for people with asbestosis and act as a liaison between the community and DPHHS in obtaining that funding. **CHAIRMAN LEWIS** stated that the Committee would consider it during wrap up.

{Tape : 1; Side : A; Approx. Time Counter : 7.9-14}

Karlene Grossberg, Public Assistance Bureau Chief, distributed a handout on the Public Assistance Bureau **EXHIBIT(jhh30a01)** and

began a presentation of the programs administered by the Public Assistance Bureau, including FAIM/TANF, Medicaid, and Food Stamps.

{Tape : 1; Side : A; Approx. Time Counter : 14-29}

SEN. WATERMAN mentioned a problem with people losing CHIP eligibility because it takes so long to do the paperwork. She asked **Ms. Grossberg** how much of a problem this really was. **Ms. Grossberg** said that the Bureau has waived the face-to-face interview in the poverty level Medicaid programs and there is no face-to-face for CHIP so she does not believe it is a problem state-wide. The Department has requested that counties expedite CHIP application processing for that reason.

CHAIRMAN LEWIS asked why the cases require so much time if the caseloads for cash assistance are reduced, and the offset has been the estimated non-assistance, CHIP, and some growth in Medicaid caseload? **Ms. Grossberg** responded that the remaining families are difficult and time consuming to serve. While the caseload has decreased, the work requirements have caused an increase in the workload. Frequent changes in hours worked cause monthly benefit and allotment changes.

SEN. WATERMAN asked if the state could streamline the process and make the eligibilities the same. **Ms. Grossberg** said that the Department has streamlined through the waivers for FAIM, but it cannot make Medicaid and TANF eligibility the same, unless it changes the entire TANF eligibility. The state can set the eligibility criteria for TANF, but not for Medicaid or food stamps.

{Tape : 1; Side : A; Approx. Time Counter : 29-33.1}

CHAIRMAN LEWIS asked what the experience in other states was on this issue. **Ms. Grossberg** referred to the handout **EXHIBIT (jhh30a02)** and the information on weighted caseload.

{Tape : 1; Side : A; Approx. Time Counter : 33.1-51}

In response to a question from **SEN. COBB** regarding plans should the Bureau have to eliminate 30 FTE, **Ms. Grossberg** responded that they have been planning consolidations in some counties and that there are some one-of-a-kind positions that could be eliminated.

Ms. Grossberg explained the role of the efficiency team and what it had accomplished. It focused on Service Delivery, Customer Service, Resource Allocation, and Technology and identified services needed to keep families working; improvements in the TEAMS system and records storage; and methods to allocate staff to the busier offices and reduce staffing needs. When the

efficiency team began its work, it identified turnover and rapid policy changes as two of the major problems.

{Tape : 1; Side : B; Approx. Time Counter : 0.1-13.1}

Ms. Grossberg went over staffing issues and the reclassification and modification of FTE. In response to a question from **SEN. COBB**, **Ms. Grossberg** stated that turnover in the Bureau varies from county to county, but that in Lewis and Clark county over the last three years, there has been well over 100% turnover. Missoula and Yellowstone County for 1997-1998 had a 33% turnover and that trend has continued.

Ms. Grossberg continued with her overview of the evolution of welfare and welfare reform.

SEN. WATERMAN asked if the Bureau is considering contracting case management. **Ms. Grossberg** answered that the Bureau is asking counties to work with advisory councils in their communities to determine which would be best based on the remaining caseload. The Bureau has asked county directors to call in all families within 12 months of reaching the 60-month time to evaluate barriers and issues still experienced by those families. Then counties need to talk to the advisory councils about the services that need to be purchased to meet those needs. Some offices are indicating that they have qualified people internally to do the case management, but more would like to contract that service out.

{Tape : 1; Side : B; Approx. Time Counter : 13.1-30.0}

Hank Hudson, Administrator of Human and Community Services

Division, referred Committee members to the FAIM Phase II portion of Exhibit 1 and explained the process used to develop the program and the questions asked and answered in the public input process. There were 25 public meetings and 11 focus groups state-wide from which the Bureau accepted 70% of the recommendations; it also responded in writing to every recommendation not accepted. The Bureau asked four questions of the focus groups:

- 1) What do low-income working families need to maintain employment?
- 2) What do families on cash assistance need to move toward self-support?
- 3) What do families leaving cash assistance need to remain working?
- 4) What can be done for better customer service?

Mr. Hudson went over the summary of recommendations forming the foundation of FAIM Phase II.

CHAIRMAN LEWIS asked how responsive the fill the gap child support would be, to which **Mr. Hudson** responded that it would require close coordination with Child Support Enforcement Division (CSED). **Ms. Grossberg** explained that the Division had envisaged that the client would not have to pay the money back; the amount would be \$80 per child.

Mr. Hudson continued with explanations of initiatives included in FAIM Phase II (Exhibit 1).

{Tape : 2; Side : A; Approx. Time Counter : 0.3-16.4}

Mr. Hudson continued that 20% of the current caseload is coming up to the 60-month deadline. It proposes to continue case management and supportive service payments and to offer an additional month of payments for those leaving cash assistance for work.

The Department also proposes to: improve customer service by having co-locations of services; fund out-stationing and outreach services where most needed; creatively restructure larger offices; require ongoing cultural awareness; develop resource information; ensure clear and understandable communication; and reduce applicant and recipient paperwork.

Mr. Hudson then went over other program changes being proposed as part of FAIM Phase II: 1) standardize criteria for post-secondary education(PSE) work activity, 2) provide additional funding for Montana Tribal Native Employment Works (NEW), 3) increase caretaker relative grants, 4) amend the definition of household member to allow a family member to receive cash assistance while out of the home for a family investment agreement (FIA) activity, 5) establish a state-funded maintenance of effort (MOE) safety net program should there be more than 20% of the caseload exceeding 60 months and meeting the criteria for the hardship category.

The Department is concerned about any proposal that would weaken the principles of welfare reform: a work participation requirement in exchange for receiving a public benefit and time limits.

Mr. Hudson expanded on the proposal for Tribal NEW. The Department had been hearing from Native Americans who thought that FAIM could be tailored more effectively for the unique cultural and economic issues on reservations. As a result, the Department would like to put more money in Tribal NEW and has suggested to the Tribes that if they serve more FAIM people on the reservation through the Tribal NEW program, then the Division will inject more TANF funds into those programs. It offers

tribes that do not want to run their own TANF program the opportunity to have more local control. This also helps the Division with its work participation requirements since whatever is done under the umbrella of Tribal NEW meets work participation standards.

{Tape : 2; Side : A; Approx. Time Counter : 16.4-27}

Ms. Grossberg responded to a question from **SEN. COBB** regarding the amount of money set aside for this. **SEN. COBB** asked who would get the money and are tribal members off the reservation eligible for this money. **Ms. Grossberg** answered that when the work programs have expired the Division does a request for proposal (RFP) and the Tribes can bid, but the Division intends to contract directly with the Tribes on this proposal. The Division has sent a letter with the proposal to the Tribes this week, but has not heard back, yet. It is doing a \$100,000 pilot program in the Blackfeet area. Tribes get the Tribal NEW money directly from the federal government, so this would be supplementing that money.

Mr. Hudson concluded his overview of FAIM Phase II proposals.

SEN. COBB requested a list of all the proposals for TANF, and **Ms. Grossberg** handed out a sheet with TANF-related bills **EXHIBIT(jhh30a03)**. **SEN. WATERMAN** requested caseloads by county and caseload for TANF/FAIM by county broken out separately.

Ms. Grossberg reviewed NP 16 outlining where the Division had spent the money funded in 1999 and the outcomes of the funding. She also detailed the enhanced employment program; whereby the Division funded special programs to meet the needs of communities. Some funds also went to domestic violence prevention, adult education, SSI eligibility, and chemical dependency treatment program at the Graham Home.

{Tape : 2; Side : B; Approx. Time Counter : 0.3-3.7}

SEN. WATERMAN asked if they anticipated any interest in other communities doing programs similar to the Graham Home. **Ms. Grossberg** said that there would be since it has been well received, but that it is an intensive and expensive service. She also touched on the success of the construction trades program in which individuals are trained in high wage employment.

{Tape : 2; Side : B; Approx. Time Counter : 3.7-18.4}

Ms. Grossberg outlined the Tribal Family Assistance Plans. The Confederated Salish and Kootenai and Fort Belknap implemented their own Tribal Family Assistance Plans. The Salish-Kootenai receive no general fund and Fort Belknap is provided the proportionate share of MOE from state MOE, plus \$100,000. The

Division has worked closely with these tribes to get their programs off the ground, and although the tribes are now serving their entire cash assistance population, the Division has placed 1.5 additional positions within the Salish-Kootenai office to handle the food stamps and Medicaid benefits so that families do not have to go to another office for food stamp and Medicaid eligibility services. In Fort Belknap, the Division was unable to reduce any staff because it is still in the process of job shadowing and training people. The Blackfeet Nation has signed an MOU with the Department to share information about the number of families that it would serve and the amount of block grant that it would receive should it write its own plan.

Ms. Grossberg then went over FAIM facts with the Committee.

{Tape : 2; Side : B; Approx. Time Counter : 18.4-42.2}

Kim Brown, FAIM Project Development Manager with DPHHS, reviewed the public input process of FAIM's creation and development.

Governor Racicot appointed a welfare reform advisory council of community members from around the state and Department staff. The council held public meetings throughout the state, examined what other states were doing with welfare reform, and developed a shell of what it thought Montana welfare reform should look like. The Department further fleshed out the shell and then held regional program design task force meetings.

Regarding FAIM Phase II, the department held public meetings throughout the state to gather information on: what is working with FAIM; what is not working with FAIM; and what should be changed. The Department also did other outreach to gather as much information as possible. It then formed community focus groups which reviewed the public comment and what other states are doing. The Department posted information on what had or had not been included for those involved in the process and had another public comment period, after which it did another round of revisions and finalized the plan.

{Tape : 2; Side : B; Approx. Time Counter : 42.2-43.7}

SEN. WATERMAN asked how often the local advisory committees meet, and **Ms. Grossberg** said that they are encouraged to meet quarterly.

{Tape : 2; Side : B; Approx. Time Counter : 43.7-49.1}

Patty Guyverson, Beaverhead-Jefferson and Silver Bow County Welfare Director, reviewed staffing issues on the local level for the Committee. Turnover is a major issue within the Division. The job is complex with a demanding caseload, which causes stress and fatigue in the staff. The cases that workers see are stressful with a high frequency of mental illness and chemical

dependency. These are all factors in high turnover rates. High turnover is exacerbated in the counties where there are other job opportunities with equal or greater pay and less stress.

{Tape : 3; Side : A; Approx. Time Counter : 0.3-8.5}

Ms. Guyverson observed that when staff determine eligibility for Medicaid cases, every member of a family could conceivably have a separate Medicaid program. There are 33 Medicaid programs so staff must spend time determining where those people fit in.

SEN. WATERMAN asked if the State is federally required to have each as a separate and distinct program or does it have the flexibility to mold them into one. **Ms. Guyverson** stated that it is her understanding that there is no flexibility in that. The application can be one application, but the worker must determine based on the age and need of the individual what Medicaid program is suitable.

{Tape : 3; Side : A; Approx. Time Counter : 8.5-26.2}

CHAIRMAN LEWIS requested an explanation of presumptive eligibility. These programs are Medicaid related programs for pregnant women, disabled individuals through SSI, and food stamps for expedited cases.

Ms. Guyverson went over the statistics of those served by the county and staffing levels. The staffing levels have remained essentially the same since 1985, but Medicaid caseload has more than tripled.

Ms. Guyverson went over the process that was used by the efficiency team in responding to the needs of the population and the legislature.

{Tape : 3; Side : A; Approx. Time Counter : 26.2-33.3}

SEN. WATERMAN asked if they had considered contracting out intensive case management. **Ms. Guyverson** said that they had considered it.

{Tape : 3; Side : A; Approx. Time Counter : 36.5-46.7}

In response to **SEN. WATERMAN's** question regarding the number of intensive social work cases in the caseload, **Ms. Guyverson** answered that she can get the numbers for them, but that it is about 40% of caseload.

{Tape : 3; Side : A; Approx. Time Counter : 46.7-49.8}

Sheila Hogan, Executive Director of Career Training Institute (CTI) in Helena, explained the Work Program and its importance in guiding people into training for work. She went over the many types of barriers that these individuals have and stressed the need for and importance of case management.

{Tape : 3; Side : B; Approx. Time Counter : 0.3-14.2}

CTI and the Business Resource Center of Helena are lead agencies in the development of the pilot TANF Individual Development Account (IDA) program, which allows recipients to save money and have savings matched. The Individual Development Account can be used for education and training goals, home ownership, and business capitalization. **Ms. Hogan** provided information on the construction trades project **EXHIBIT(jhh30a04)**. She explained the IDA program in more depth for **SEN. COBB**. She then reviewed the construction trade project for **SEN. COBB** and the particular types of jobs that they have been working on: commercial driver and heavy equipment operating licensing, drafting - CAD, and laborer's training.

She confirmed for **CHAIRMAN LEWIS** that the clientele are multi-barrier and a much more difficult population to work with than was once the case. She reiterated that they work with them on job training and job coaching.

SEN. WATERMAN asked if the program is capable of assisting people with mental illness and chemical dependency to get into mental health or chemical dependency programs. **Ms. Hogan** explained that they help people with the paperwork in getting SSI, and there is a licensed counselor on staff to do case management. They have had a lot of success in getting people onto SSI, and case management is the key.

{Tape : 3; Side : B; Approx. Time Counter : 14.2-49.8}

Debra Urdang, Supervisor in the Public Assistance Office in Bozeman, commented on the proposal to eliminate the resource test from the poverty level Medicaid program in order to save caseworker time. She distributed the resource assessment form **EXHIBIT(jhh30a05)** and stated that eliminating the resource assessment will not decrease the caseload and proceeded with a list of reasons.

SEN. WATERMAN stated that she wants to eliminate paperwork to make things easier for the caseworkers as a result of complaints from both social workers and their clients. She asked what they verify when they call people on CHIP. **Ms. Urdang** stated that they look at Medicaid eligibility first and in order to determine asset eligibility for Medicaid they need to have verification of bank balances, values of CD's, and IRA's. **SEN. WATERMAN** said that everything that she has read and heard indicates that the elimination of the asset test will successfully free up resources, so she does not know why it would not work here.

Ms. Urdang made a comment that the computers seem to go down frequently, usually one day a week for half an hour or an hour.

{Tape : 4; Side : A; Approx. Time Counter : .4-13.9}

Sue Rutherford, Supervisor in Missoula County, explained the Missoula County outreach program and its success **EXHIBIT(jhh30a06)** and **EXHIBIT(jhh30a07)**. They take their services and knowledge of available resources to outreach sites throughout the county on specific days.

{Tape : 3; Side : B; Approx. Time Counter : 13.9-16.7}

SEN. WATERMAN asked **Jennifer Carter, Missoula County Director**, about her perspective regarding elimination of the asset test. **Ms. Carter** concurred with **Ms. Urdang**. When families are tied to multiple programs, there is a need to ask for that information. **REP. JAYNE** asked how many applications an applicant must process to be involved. **Ms. Carter** replied that most are covered under a general application. There is a universal Medicaid application that can be used for all the Medicaid programs and financial assistance.

{Tape : 3; Side : B; Approx. Time Counter : 16.7-37.9}

Marie Mathews, Fiscal Policy Advisor for DPHHS, gave an overview and explanation of the errors that have occurred in the accounting system **EXHIBIT(jhh30a08)**. There were two sets of problems. There were problems created by SABHRS processing errors or exacerbated by SABHRS processing errors, and there were problems created by inaccurate accounting assumptions or insufficient follow-through by the Department. **Ms. Mathews** detailed the specific problems that occurred in various Divisions, how the problems were corrected, and what steps were taken to prevent future occurrences.

Information on SSI statistics **EXHIBIT(jhh30a09)** and an article on Montana State Hospital's policy to cut expenses by no longer picking up patients **EXHIBIT(jhh30a10)** were submitted for the record.

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. DAVE LEWIS, Chairman

SYDNEY TABER, Secretary

DL/ST

EXHIBIT (jhh30aad)